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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, JUNE 10, 2002

APPLICATION OF

VERIZON SOUTH INC.

CASE NO. PUC-2002-00013

For a change of classification
of intraLATA toll service under
Plan for Alternative Regulation

**ORDER APPROVING RECLASSIFICATIONS AND
EXTENDING FOR FURTHER COMMENT**

On February 1, 2002, Verizon South Inc. ("Verizon South" or "Company") filed tariffs with the State Corporation Commission ("Commission") proposing the reclassification of certain intraLATA toll services as "Competitive" under Subsection D of its Plan for Alternative Regulation ("Plan"). The Company noted, in the cover letter accompanying the tariff filing, that "competition from a multitude of carriers in today's long distance marketplace is clearly and irreversibly an effective regulator of the price" of its long-distance service. Accordingly, Verizon South maintains that the services meet the test under its Plan for reclassification. The Company provided notice of its proposal to the Office of the Attorney General ("Attorney General") and all other certificated interexchange and local exchange telecommunications companies in the

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Commonwealth.

By Order entered February 22, 2002, we directed the Company to publish notice of its application and established a period for receipt of comments or requests for hearing. No requests for hearing have been filed. Pertinent comments were filed by AT&T Communications of Virginia ("AT&T") and Cox Virginia Telcom, Inc. ("Cox"). By Order dated May 2, 2002, we permitted Verizon South to file a response to the filed comments. The Company made its response on May 15, 2002.

NOW THE COMMISSION, having considered the pleadings, is of the opinion and finds that the requested reclassifications should be granted with one exception and that this matter should be continued for further orders.

We find that IntraLATA Long Distance Verification and Interrupt Service (tariff section S18.5) should remain as currently classified and not be reclassified as "Competitive." There is insufficient alternative actual or potential provision of this service upon which to find that competition or potential competition is or can be an effective regulator of the services' prices. These are simply services that Verizon South alone now provides, irrespective of the identity of the customer's intraLATA interexchange carrier.

All other changes proposed in the tariff filing made by Verizon South on February 1, 2002, should be approved, effective

as of July 1, 2002. The Commission is satisfied from the record that competition or the threat of competition sufficiently regulates the prices of those services proposed for change in classification to "Competitive." The Company is directed to work closely with the Division of Communications to identify any clerical errors in the proposed tariffs, which may be administratively corrected.

Verizon South's May 15, 2002, response shows that it seeks also to reclassify its Selective Class of Call Screening (tariff section S13.10), Special Billing Number Service (tariff section S13.18), and Zenith Service (tariff section S13.16) to "Competitive." The Company is directed forthwith to submit appropriately revised tariff pages presenting these additional reclassifications to the Commission Staff, Cox, AT&T, and the Attorney General. These parties may offer any comment regarding these proposed additional reclassifications on or before July 15, 2002. The Commission will continue this matter further to permit receipt of any comment regarding these proposed additions to the filing.

Accordingly, IT IS ORDERED THAT:

(1) The proposed reclassifications of intraLATA toll services are APPROVED as set out above. For any rate increases to these reclassified services, Verizon South shall abide by the

Rules set out in the Commission's Rules Governing the Certification of Interexchange Carriers at 20 VAC 5-411.80.

(2) Comments responsive to the reclassification of Selective Class of Call Screening, Special Billing Number Service, and Zenith Service proposed by Verizon South in its response of May 15, 2002, shall be filed, in original and 15 copies, no later than July 15, 2002, with the Clerk of the Commission, P.O. Box 2118, Richmond, Virginia 23219, making reference to Case No. PUC-2002-00013.

(3) This matter is continued for further orders of the Commission, and the time period in subsection D.1.d of the Plan is hereby extended for consideration of the additional reclassifications set out in ordering paragraph two (2) above.